The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center July 1991

Consumer Confidence Survey

June Results

Consumers More Optimistic about the Future

The measure of consumer confidence, which had declined in May, made up some of the loss in June. The current reading of the Confidence Index (1985=100) is 78.0, up about a point and a half for the month. However, all of the improvement, and then some, was accounted for by people's more optimistic expectations for the months ahead. However, their assessment of the prevailing situation has continued to decline for the tenth consecutive month. Buying plans are softer.

Consumers continue to be increasingly uneasy about the employment situation. In June, only 8.6 percent of all survey participants report that jobs are "plentiful," down from 9.8 percent in the preceding month, and from 23.4 percent this time last year. In the latest survey, 37.5 percent complain that jobs are "hard to get," which is about the same figure as in the preceding month. On the broader issue of current business conditions, only 10.7 percent of respondents now say that conditions are "good," while 38.8 percent say that they are "bad." Both these figures are somewhat more negative than in the preceding month.

However, in looking ahead to the next six months, consumers are now more optimistic than they have been in quite some time. In the latest survey, 28.3 percent of all participants expect business conditions to improve, only 9.3 percent feel that they will worsen. Both these numbers represent a good improvement over the preceding month. People are also more positive about the employment outlook. Now, 21.1 percent believe that there will be more jobs in the months ahead, only 17.4 percent fear there will be fewer. These expectations are more optimistic than in the preceding two months.

Although consumers are more hopeful about the future, buying plans for both cars and major appliances edged down in June. Interest in purchasing a home was indicated by 2.8 percent of all respondents, which is the same figure as a month earlier, but substantially below last year at this time. Vacation plans are also less prevalent than in May.

Although consumer confidence moved up slightly in June, the Index is still at a level that is historically associated with a sluggish economy. People express increasing concern about the present situation and, most particularly, about jobs. The Labor Department's recent unemployment statistics lend credibility to this uneasiness. However, the silver lining in the June confidence readings is the public's more positive view of things to come. Consumer expectations have an impressive record of foretelling our future fortunes.

Fabian Linden

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

									Business		Employment		Income
	1990								1991				
All series seasonally adjusted	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May(r)*	*Jun.(p)*
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	102.4	101.7	84.7	85.6	62.6	61.7	61.2	55.1	59.4	81.1	79.4	76.4	78.0
Present Situation	111.1	116.6	100.4	97.5	73.2	70.3	63.3	54.7	53.1	51.7	48.9	47.8	43.3
Expectations	96.6	91.8	74.2	77.7	55.6	56.1	59.8	55.3	63.6	100.7	99.7	95.5	101.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	22.6	23.4	20.8	19.4	14.2	14.4	13.3	11.1	11.7	11.6	11.7	11.8	10.7
Bad	20.1	20.7	23.5	24.6	28.9	29.8	30.3	34.4	33.3	34.2	35.7	37.2	38.8
Normal	57.3	55.9	55.7	56.0	56.9	55.8	56.4	54.5	55.0	54.2	52.6	51.0	50.5
Employment													
Jobs plentiful	23.4	25.6	21.4	20.6	15.3	13.7	12.4	11.4	10.0	10.4	9.4	9.8	8.6
Jobs not so plentiful	52.9	52.3	52.8	54.3	54.9	56.9	55.9	55.5	56.8	53.9	55.1	52.4	53.9
Jobs hard to get	23.7	22.1	25.8	25.1	29.8	29.4	31.7	33.1	33.2	35.7	35.5	37.8	37.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	17.5	17.3	13.7	15.1	12.0	10.9	12.1	11.8	14.4	27.7	25.2	24.4	28.3
Worse	10.4	11.9	18.7	20.4	29.7	29.6	25.6	28.1	24.3	10.5	9.4	11.3	9.3
Same	72.1	70.8	67.6	64.5	58.3	59.5	62.3	60.1	61.3	61.7	65.4	64.3	62.4
Employment													
More jobs	15.5	14.6	11.3	13.9	9.5	9.9	9.9	9.0	11.6	20.8	19.4	18.9	21.2
Fewer jobs	16.5	18.0	22.7	23.2	34.9	34.9	33.9	35.3	31.4	19.1	17.9	18.6	17.4
Same	68.0	67.4	66.0	62.9	55.6	55.2	56.2	55.7	57.0	60.1	62.7	62.5	61.4
Income													
Increase	27.2	27.8	24.2	26.5	19.5	22.4	22.3	19.8	20.9	23.3	20.7	21.1	19.3
Decrease	7.0	7.8	8.5	8.7	11.0	11.5	10.4	11.1	11.6	8.7	8.9	10.1	10.0
Same	65.8	64.4	67.3	64.8	69.5	66.1	67.3	69.1	67.5	68.0	70.4	68.8	70.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.4	8.8	7.5	7.8	6.3	6.5	6.2	6.0	7.5	6.6	7.7	6.9	6.2
New	4.0	3.3	4.3	3.8	3.3	2.2	2.9	3.0	3.7	3.3	4.0	3.2	3.2
Used	3.3	4.6	2.9	2.7	2.0	3.2	2.8	2.4	3.0	2.6	3.1	3.0	2.7
Uncertain	1.1	0.9	0.3	1.3	1.0	1.1	0.5	0.6	0.8	0.7	0.6	0.7	0.3
Home													
Yes	3.6	4.3	3.0	2.9	2.9	2.6	2.7	2.6	3.0	4.2	3.0	2.8	2.8
New	0.9	0.8	1.0	0.8	0.6	0.9	0.6	0.7	0.8	1.1	0.8	0.9	0.5
Lived in	1.8	2.5	1.3	1.2	1.7	1.4	1.5	1.3	1.5	2.1	1.5	1.4	1.6
Uncertain	0.9	1.0	0.7	0.9	0.6	0.3	0.6	0.6	0.7	1.0	0.7	0.5	0.7
Major appliances													
Total plans	28.8	27.4	32.8	30.3	26.0	25.3	26.9	27.4	28.0	32.5	27.8	26.9	22.9
Refrigerator	4.4	4.4	5.4	4.8	3.6	3.7	4.1	4.4	4.9	5.3	3.6	4.0	3.1
Washing machine	4.1	4.2	4.3	3.9	3.6	3.1	3.5	3.9	4.3	4.6	3.8	3.2	3.3
TV Set	6.9	6.3	7.8	7.7	7.0	6.8	7.1	6.9	6.6	8.5	6.7	7.0	4.8
Vacuum Cleaner	4.5	4.4	6.1	5.7	4.1	4.5	4.7	5.0	4.6	5.5	5.3	5.2	4.7
Range	3.0	3.2	2.7	3.0	2.9	2.3	3.0	2.7	2.9	2.9	2.7	2.7	2.5
Clothes dryer	3.9	2.7	4.0	3.2	3.2	2.7	3.0	2.9	3.1	4.0	3.8	3.2	2.9
Air conditioner	2.0	2.2	2.5	2.0	1.6	2.2	1.5	1.6	1.6	1.7	1.9	1.6	1.6
Carpet	6.6	7.0	7.3	6.7	5.9	5.1	5.6	6.2	5.7	6.8	5.9	6.7	6.2
Vacation Intended Within Six Months: Percent													
Vacation Intended	48.6		48.9		45.9		47.4		45.8		47.3		45.3
Destination													
U.S.	42.2		41.8		40.0		41.4		41.0		41.8		40.0
Foreign country	8.1		9.2		7.5		7.3		6.4		7.1		6.5
Means of Travel													
Automobile	29.4		29.4		27.7		27.9		28.5		28.4		27.8
Airplane	19.4		17.9		16.4		17.5		16.3		17.8		17.5
Other	3.3		4.6		3.9		3.7		3.9		4.4		3.0

(p)—preliminary (r)—revised

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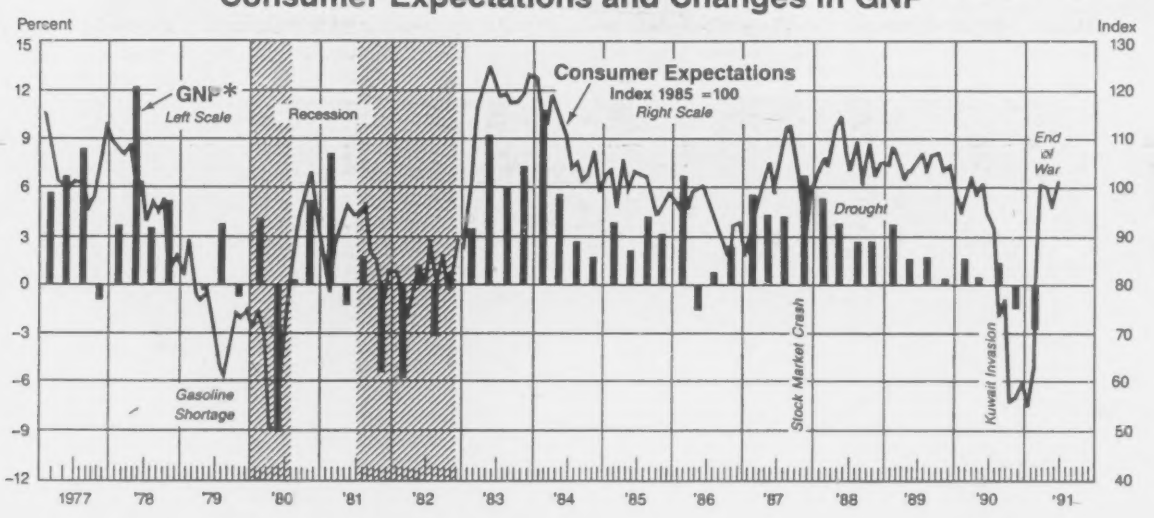
Inflation	Interest Rates		Stock Prices										
Not Seasonally Adjusted	*June*	*July*	*1990 Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*1991 Mar.*	*Apr.*	*May(r)*	*Jun.(p)*
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.9	4.9	5.4	5.7	6.4	5.9	5.8	5.5	5.2	4.7	4.8	4.7	4.5
Interest Rates													
Higher	56.2	49.5	58.4	64.2	57.4	53.2	49.8	33.4	34.4	42.8	45.5	35.3	45.6
Same	25.3	29.3	20.9	18.8	18.0	21.9	19.9	20.8	22.2	25.3	27.9	29.2	29.7
Lower	18.5	21.2	20.7	17.0	24.6	24.9	30.3	45.8	43.4	31.9	26.6	35.5	24.7
Stock Prices													
Increase	43.6	38.5	30.3	31.4	26.8	25.8	27.4	26.3	37.8	46.6	42.8	41.7	43.8
Same	34.8	36.7	30.9	28.8	25.0	28.2	30.0	29.9	31.1	31.7	35.1	36.5	33.8
Decrease	21.6	24.8	38.8	39.8	48.2	46.0	42.6	43.8	31.1	21.7	22.1	21.8	22.4

All series seasonally adjusted	*June*	*July*	*1990 Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*1991 Mar.*	*Apr.*	*May(r)*	*Jun(p)*	*3 mos. Percent Change**
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	111.9	114.5	100.9	94.2	81.9	80.1	73.5	66.5	65.2	90.6	92.9	92.7	88.7	23.4
35-54	100.9	102.2	85.0	86.6	61.6	59.6	61.9	56.8	62.5	82.0	77.7	77.9	78.4	16.3
55 and over	94.1	88.4	70.2	76.6	50.0	50.5	50.7	42.5	50.0	69.4	70.0	63.2	68.2	24.5
HOUSEHOLD INCOME														
Under $15,000	75.4	79.8	59.0	71.6	50.7	46.4	54.2	41.4	47.0	60.3	62.1	57.8	53.9	16.9
$15,000-24,999	91.9	98.8	83.4	80.7	55.0	62.9	55.4	49.4	54.9	72.1	76.5	75.4	70.4	26.0
$25,000-34,999	105.2	103.0	91.5	84.1	66.7	63.4	63.0	59.3	61.9	85.3	79.5	83.1	81.6	18.3
$35,000-49,999	120.4	106.6	94.4	95.1	69.9	73.3	64.7	63.3	64.8	87.9	83.4	77.9	89.4	16.0
$50,000 and over	121.7	116.9	100.2	94.5	71.9	67.6	69.0	64.6	69.0	98.2	94.9	89.5	93.8	20.0

***Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

Consumer Expectations and Changes in GNP



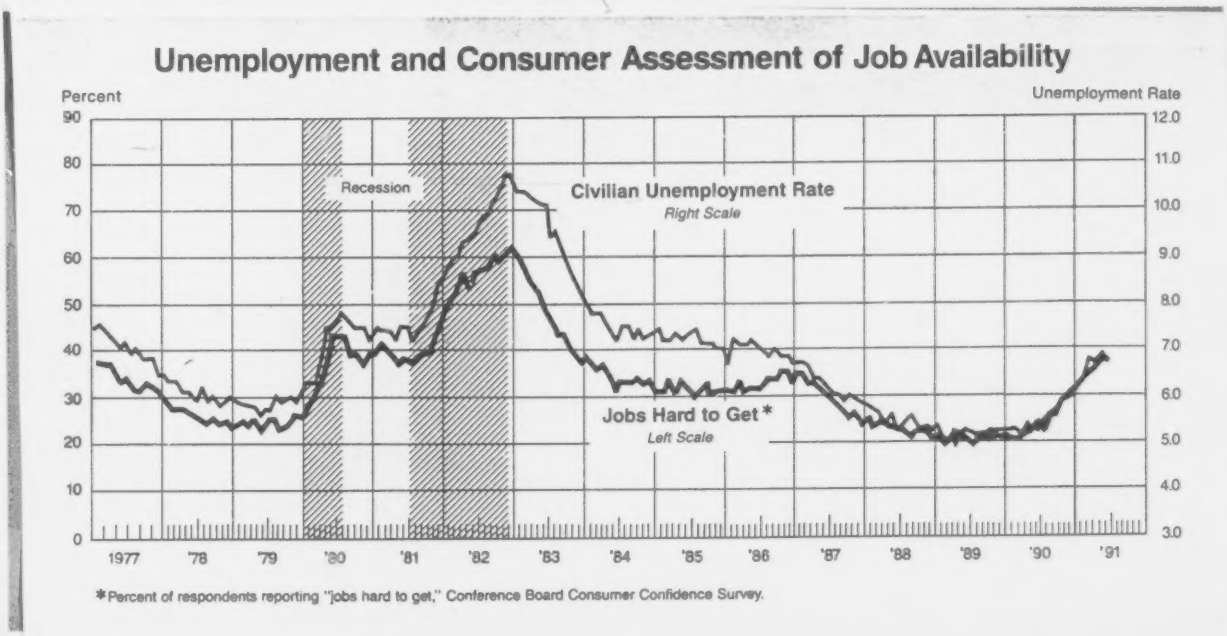
*Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1990 June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar.	Apr.	May(r)	Jun.(p)	AVERAGE: Apr., May, June 1990	1991	Percent Change
NEW ENGLAND																
Consumer Confidence Index	51.6	42.5	29.2	39.4	23.0	26.3	26.9	29.6	37.3	53.5	52.1	49.8	51.2	62.0	51.1	-17.7
Present Situation	53.3	38.3	22.5	29.9	9.2	10.8	8.8	6.5	3.6	3.1	5.5	6.5	4.5	64.5	5.5	-91.5
Expectations	50.5	45.4	33.8	45.8	32.2	36.7	38.9	45.0	59.8	87.1	83.2	78.7	82.4	60.4	81.4	34.8
MIDDLE ATLANTIC																
Consumer Confidence Index	91.5	86.0	69.8	75.7	56.9	47.8	47.3	46.2	48.9	72.6	66.0	65.3	66.4	95.5	65.9	-31.0
Present Situation	111.9	104.7	92.2	96.6	74.3	52.9	48.2	38.4	33.6	33.3	27.5	36.1	26.4	109.1	30.0	-72.5
Expectations	78.0	73.5	54.8	61.7	45.3	44.4	46.8	51.4	59.1	98.8	91.6	84.8	93.1	86.4	89.8	4.0
EAST NORTH CENTRAL																
Consumer Confidence Index	102.3	104.1	88.8	87.8	72.7	65.7	60.9	56.4	55.0	80.8	77.6	72.6	78.9	106.5	76.4	-28.3
Present Situation	118.1	125.3	111.1	113.5	101.2	87.4	80.6	66.7	49.9	53.4	52.7	47.4	52.0	122.8	50.7	-58.7
Expectations	91.7	90.0	73.9	70.7	53.6	51.2	47.8	49.5	58.5	99.0	94.2	89.4	96.9	95.7	93.5	-2.3
WEST NORTH CENTRAL																
Consumer Confidence Index	94.2	94.1	78.7	68.7	67.2	61.0	54.3	61.1	54.5	76.5	71.6	73.7	75.5	96.3	73.6	-23.6
Present Situation	103.9	116.6	94.1	83.6	87.5	78.7	62.3	65.7	56.2	53.6	51.5	60.7	49.3	106.8	53.8	-49.6
Expectations	87.8	79.1	68.4	58.8	53.7	49.2	49.0	58.0	53.3	91.9	85.0	82.4	93.0	89.3	86.8	-2.8
SOUTH ATLANTIC																
Consumer Confidence Index	128.9	119.9	95.9	98.0	74.0	69.4	63.5	59.2	69.9	86.0	85.8	84.4	85.8	124.3	85.3	-31.3
Present Situation	149.2	146.9	121.3	126.3	95.4	87.9	74.5	63.4	59.3	44.5	55.3	47.4	49.8	147.5	50.8	-65.5
Expectations	115.4	101.9	79.0	79.1	59.8	57.1	56.1	56.4	77.0	113.7	106.2	109.1	109.8	108.8	108.4	-0.4
EAST SOUTH CENTRAL																
Consumer Confidence Index	87.7	96.4	76.6	90.1	55.9	47.9	64.9	50.7	58.5	85.9	77.1	61.7	74.4	86.3	71.1	-17.6
Present Situation	79.3	102.8	82.9	102.4	59.7	47.4	63.4	39.2	50.4	45.8	39.7	37.5	45.0	77.4	40.7	-47.4
Expectations	93.3	92.1	72.4	81.9	53.3	48.3	65.8	58.4	63.9	112.6	102.1	77.9	94.0	92.2	91.3	-0.9
WEST SOUTH CENTRAL																
Consumer Confidence Index	78.9	84.7	77.5	90.6	63.5	71.8	70.0	60.3	66.5	84.3	75.8	73.0	74.3	87.2	74.4	-14.7
Present Situation	51.7	59.1	58.3	62.5	44.0	47.1	54.3	42.1	40.0	45.7	43.3	43.4	37.1	56.7	41.3	-27.2
Expectations	97.1	101.8	90.3	109.4	76.5	88.3	80.4	72.4	84.2	110.0	97.5	92.8	99.1	107.5	96.5	-10.2
MOUNTAIN																
Consumer Confidence Index	97.2	99.3	72.0	108.5	62.5	68.6	77.1	67.9	65.8	83.2	98.1	81.5	94.1	100.8	91.2	-9.5
Present Situation	75.8	88.0	64.1	96.5	51.4	60.6	58.7	51.4	38.4	58.9	58.8	48.9	56.4	77.6	54.7	-29.6
Expectations	111.5	106.8	77.2	116.5	70.0	74.0	89.3	78.9	84.0	99.5	124.3	103.3	119.2	116.3	115.6	-0.6
PACIFIC																
Consumer Confidence Index	119.6	121.9	108.3	105.6	88.0	92.0	80.0	70.3	84.9	101.1	95.8	91.0	89.6	124.4	92.1	-25.9
Present Situation	151.0	168.1	153.8	143.4	120.0	134.1	113.2	78.1	94.3	85.8	72.0	82.4	77.8	158.9	77.4	-51.3
Expectations	98.7	91.1	77.9	80.4	66.7	63.9	57.9	65.1	78.6	111.3	111.6	96.8	97.5	101.4	102.0	0.6

*** Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.**



*Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.